

## Message Text

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PAGE 01 STATE 276944

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TO AMEMBASSY MOSCOW

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E.O. 11652: N/A

TAGS: PFOR, ABLD, UR, US

SUBJECT: MOSCOW AND WASHINGTON CHANCERY COMPLEXES

REF: STATE 265516, MOSCOW 16126

TEXT OF NON-PAPER ON CHANCERIES WHICH WAS PRESENTED TO  
DOBRYNIN BY HARTMAN NOV. 21 FOLLOWS: QUOTE

IN RESPONSE TO THE SEVERAL REQUESTS BY THE SOVIET SIDE  
FOR PERMISSION TO BEGIN CONSTRUCTION OF AN APARTMENT  
BUILDING ON THE SITE SET ASIDE FOR ITS WASHINGTON EMBASSY  
COMPLEX BEFORE CONSTRUCTION BEGINS ON THE US SITE IN MOS-  
COW, THE DEPARTMENT HAS CAREFULLY CONSIDERED ITS LONG  
STANDING POSITION THAT BOTH PROJECTS SHOULD PROCEED IN  
PARALLEL. AS THE SOVIET SIDE IS AWARE, IT HAS BEEN THE  
DEPARTMENT'S VIEW THAT THE PROVISION OF THE 1972 CONDITIONS  
OF CONSTRUCTION AGREEMENT WHICH CALLS FOR EXCHANGE OF NOTES  
CONCERNING A DATE FOR INITIATION OF CONSTRUCTION INDICATED  
SOVIET AGREEMENT THAT CONSTRUCTION SHOULD BEGIN SIMUL-  
TANEOUSLY ON BOTH COMPLEXES. HOWEVER, IN ORDER TO ACCOMO-  
DATE THE SOVIET DESIRE TO MOVE AHEAD ON ITS PROJECT THE US  
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PAGE 02 STATE 276944

SIDE IS PREPARED TO CONSIDER EXCHANGING SITES AND PERMITTING

THE SOVIET SIDE TO START ITS APARTMENT BUILDING ONLY IF AND AFTER AGREEMENT CAN BE REACHED ON A NUMBER OF MATTERS OF INTEREST TO THE US SIDE.

1. COMMITMENTS ON COSTS OF CONSTRUCTION, INCLUDING MATERIALS, LABOR AND SERVICES, TO BE PROVIDED BY THE SOVIET SIDE. THE US SIDE WOULD REQUIRE WRITTEN COMMITMENTS ON MUTUALLY ACCEPTABLE PRICES TO INCLUDE THE FOLLOWING:

A. ELIMINATION OF THE 10 PERCENT SURCHARGE (OR ANY OTHER COSTS NOT ASSESSED TO SOVIET PROJECTS) WHICH WE HAVE BEEN TOLD UPDK ASSESSES ON GOODS AND SERVICES PROVIDED IN CONNECTION WITH CONSTRUCTION FOR FOREIGN EMBASSIES.

B. A MUTUALLY AGREED MAXIMUM COST PER SQUARE METER OF FLOOR SPACE FOR THE US COMPLEX IN MOSCOW TO MEET OUR SPECIFICATIONS.

C. MUTUALLY AGREEABLE UNIT COSTS FOR LABOR SERVICES AND MATERIALS.

D. AGREEMENT THAT THE COST TO THE US OF CONSTRUCTION OF THE NEW COMPLEX WILL BE THE LESSER OF THE TOTAL COST FOR THE PROJECT CALCULATED UNDER PARAGRAPH B OR C ABOVE.

E. AGREEMENT ON LUMP-SUM FEE FOR PREPARATION OF FINAL CONSTRUCTION DOCUMENTS BASED ON AMERICAN DOCUMENTS.

F. WAIVER OF THE REQUIREMENT OF AN ADVANCE PAYMENT. PARTIAL PAYMENTS TO BE MADE ON THE BASIS OF WORK PERFORMED AND APPROVAL OF MATERIALS PROPERLY PURCHASED AND PROPERLY STORED.

2. AGREEMENT THAT OCCUPANCY OF THE SOVIET APARTMENT BUILDING HERE CANNOT TAKE PLACE UNTIL CONSTRUCTION ON OUR MOSCOW PROJECT HAS BEGUN.

3. PROVISION OF AN OPTION TO RETAIN OUR PRESENT MOSCOW CHANCERY IF DESIRED AFTER COMPLETION OF THE NEW COMPLEX.

4. AGREEMENT BY UPDK TO PROVIDE ADDITIONAL PROPERTY LIMITED OFFICIAL USE

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PAGE 03 STATE 276944

NEEDED BY OUR EMBASSY IN THE PERIOD PRIOR TO COMPLETION OF OUR NEW COMPLEX, INCLUDING THE REMAINING 20 OR 21 NEW HOUSING UNITS WHICH THE EMBASSY HAS REQUESTED ON A SPECIFIC PHASED DELIVERY SCHEDULE, AS WELL AS SUCH ADDITIONAL QUARTERS AS MAY BE REQUIRED FOR OTHER US PERSONNEL TAKING UP RESIDENCE IN MOSCOW IN CONNECTION WITH NEW EMBASSY CONSTRUCTION.

5. AGREEMENT THAT AFTER EXCHANGE OF EMBASSY SITES THE SOVIET SIDE WILL PROVIDE A DIRECT ACCESS CORRIDOR THROUGH THE REAR WALL OF OUR PRESENT PROPERTY TO THE NEW SITE AND FACILITATION OF US USE OF THE NEW SITE FOR PARKING, STORAGE OF CONSTRUCTION MATERIALS, RECREATIONAL AND OTHER PURPOSES.

6. A COMMITMENT TO PROVIDE ADDITIONAL ACCEPTABLE RECREATIONAL PROPERTY AS REQUESTED BY OUR EMBASSY WITHIN SIX MONTHS.

7. A COMMITMENT TO PROVIDE AN ACCEPTABLE ALTERNATE BUILDING FOR THE ANGLO-AMERICAN SCHOOL IN MOSCOW WHICH CAN BE OCCUPIED BY AUGUST, 1976.

8. A COMMITMENT TO PROVIDE WITHIN THE NEXT SIX MONTHS ELECTRICAL POWER FOR OUR PRESENT EMBASSY AS ALREADY REQUESTED.

9. A COMMITMENT TO OFFER ACCEPTABLE WAREHOUSE FACILITIES AT REASONABLE COST WITHIN SIX MONTHS TO COMPLEMENT CURRENT EMBASSY FACILITIES AND PROVIDE SPACE NEEDED IN CONNECTION WITH CONSTRUCTION.

10. THE QUESTION OF AGREEMENT ON HEIGHTS OF ANTENNAS WILL BE DEFERRED UNTIL CHANCERIES ARE COMPLETE, AND IN THE MEANTIME NO ANTENNAS WILL BE CONSTRUCTED ON APARTMENT BUILDINGS EXCEPT AS MUTUALLY AGREED.

THE US SIDE WILL BE PREPARED TO PROCEED TO EXCHANGE SITES AND GRANT PERMISSION FOR CONSTRUCTION TO BEGIN ON THE SOVIET APARTMENT BUILDING ONLY AFTER AGREEMENT HAS BEEN REACHED ON THE ABOVE ITEMS. IT IS SUGGESTED THAT AN LIMITED OFFICIAL USE

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PAGE 04 STATE 276944

EXCHANGE OF NOTES AND AN AGREED PRICE SCHEDULE WOULD CONSTITUTE AGREEMENT. KISSINGER

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